Subject: Updated Financial review process
From: Ben Schirmer <ben@hcbf.org>
Date: 05/05/2016 02:59 PM
To: Lorena Parker <lparker@sanpedrobid.com>
CC: eric eisenberg <ericeoban@gmail.com>, Greg <greg@thealbright.com>

Good afternoon,

Greg and I met yesterday to discuss the financial review process for the PBID. We are concerned that there isn't enough time for the finance committee to do a meaningful review of the financial documents before each board meeting. This translates into an inadequate review by the full board.

We, the finance committee (right now that would be Greg and I) would like to receive the financials the Monday of the week before the board meeting. For example, for the June meeting, we would get the fianancial reports no later than Monday, May 23rd. This gives us enough time to review them and respond to Lorena in time for the agenda, which would include the financials for full-board review, to be posted on Friday, May 27th (in compliance with the Brown Act).

We would like to see the following reports (for the June board meeting this would be through the end of April):

1. Profit and Loss statement
2. Balance Sheet, including a period to period review (2015 v. 2016)
3. Budget v. Actual

As a best practice, I just started this with my board, please have a copy of the bank statements sent electronically to me, in my capacity as Treasurer, directly from the Bank. This is usually easy to set up.

We also had a chance to review the proposal from Stacey Bergman regarding bookkeeping assistance. It is definitely a best practice to have a 3rd party do the monthly bank reconciliations. The bookkeeper could also be responsible for running the above reports each month and sending them to the Finance Committee.

We noticed that the estimate included "Annual Financial Statement Review". Is this in lieu of an audit? What level of annual financial review are we mandated to conduct? And, it also states that Stacey Bergman would prepare the 990. I have always understood it to be a best practice to use a firm to do your audit and 990 that is different than who you have working with your financial information on a daily or monthly basis. Are you comfortable with the same firm doing both the monthly reconciliation and the annual review?

Let me know if you have any questions. Thanks.

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